

The Hon. Ricardo S. Martinez

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

JUSTIN COSTELLO,

Defendant,

and

DAVID LEVI & SONS JEWELERS,

Third-Party Petitioner.

NO. CR22-160-RSM

**STIPULATION AND
ORDER SETTling THIRD-PARTY
CLAIM**

NOTE ON MOTION CALENDAR:
March 19, 2025

The United States and Third-Party Petitioner David Levi & Sons Jewelers (collectively, the “Parties”), respectfully present the following Stipulation and Proposed Order to settle David Levi & Sons Jewelers’ asserted interest in one 14k yellow gold Cuban link chain¹ (the Subject Property) that was preliminarily forfeited by Defendant Justin Costello in this matter.

///

¹ Identified in the Preliminary Order of Forfeiture (Dkt. No. 26) with a 14k yellow gold gun pendant set with genuine 2.4mm round rubies, emeralds, and diamonds (9 of each) in grip of gun. Third-Party Claimant David Levi & Sons Jewelers only filed a claim to the chain and is not claiming interest in the pendant.

I. BACKGROUND

On January 18, 2023, Defendant Costello pleaded guilty to *Securities Fraud* as charged in Count 20 of the Indictment, in violation of 15 U.S.C. §§ 78j(b), 78ff and 17 C.F.R. § 240.10b-5. Dkt. Nos. 1, 20. In his Plea Agreement, Defendant agreed to forfeit his interest in a judgment for a sum of money in the amount \$625,092.02 (“Money Judgement”) pursuant to 18 U.S.C. § 981(a)(1)(C), by way of 28 U.S.C. § 2461(c), representing proceeds he personally obtained from his commission of the offense, including the Subject Property, as substitute property pursuant to 21 U.S.C. § 853(p). Dkt. No. 20 ¶ 12.

On April 14, 2023, the Court issued a Preliminary Order of Forfeiture forfeiting Defendant’s interest in the Subject Property, among other assets, to the United States. *See* Dkt. No. 26.

As required by 21 U.S.C. § 853(n)(1) and Rule 32.2(b)(6)(C) of the Federal Rules of Criminal Procedure, the United States published notice of the Preliminary Order of Forfeiture and of its intent to dispose of the preliminarily forfeited property, including the Subject Property, in accordance with governing law. *See* Dkt. No. 33. That notice informed any third parties claiming an interest in the property that they were required to file a petition with the Court within 60 days of the date of the notice’s first publication on April 21, 2023. *Id.*

As required by Fed. R. Crim. P. 32.2(b)(6)(A), the United States sent notice of the preliminarily forfeited property and a copy of the Preliminary Order of Forfeiture to potential claimants based on the underlying investigate material. One of the potential claimants to whom the United States sent direct notice was Third-Party Petitioner David Levi & Sons Jewelers (“Petitioner”). *See* Exhibit A. The United States sent Petitioner notice because it was identified as a potential owner of the pendant and chain via the underlying investigative materials.

Thereafter, Petitioner filed a petition asserting it was the rightful owner of the Subject Property. *See* Dkt. No. 47. Petitioner advised that the Subject Property had been purchased by Defendant Costello but was never paid for in full. *Id.*

Another third party, Katrina Rosseini, filed a petition claiming an interest in the Subject Property (and other seized assets), Dkt. No. 46, but she subsequently withdrew her petition, Dkt. No. 48.

No other potentially interested third party filed a petition with respect to the Subject Property. The period for filing a petition to the Subject Property expired on or about June 20, 2023, for the published notice, and October 26, 2024, for direct notice.

II. STIPULATION

The United States and David Levi & Sons Jewelers HEREBY STIPULATE to the following:

1. In support of David Levi & Sons Jewelers' petition ("Petition"), David Levi asserts that his company is the owner of the Subject Property. Mr. Levi states Defendant Costello never paid for the Subject Property after receiving it. Mr. Levi provided proof of the attempted efforts to gain payment for the Subject Property from Defendant Costello.

2. Based on the information and affirmations reflected in Paragraph 1, above, the United States agrees that David Levi & Sons Jewelers had a vested interest in the Subject Property, pursuant to 21 U.S.C. § 853(n)(6)(A), before Defendant Costello in this case possessed it.

3. The United States recognizes David Levi & Sons Jewelers' vested interest in the Subject Property and agrees the government will return it to David Levi & Sons Jewelers following the criminal proceedings in this case, to include any criminal appeal. The seizing agency, the Federal Bureau of Investigation (FBI), will affect the return of the Subject Property to David Levi & Sons Jewelers.

1 4. David Levi & Sons Jewelers understands the Subject Property constitutes
2 evidence in this case and cannot be returned prior to the completion of these criminal
3 proceedings, to include any criminal appeal.

4 5. David Levi & Sons Jewelers understands and agrees the Subject Property
5 will be returned to them in its current condition, as it was seized from Defendant in this
6 case.

7 6. David Levi & Sons Jewelers understands and agrees that this Stipulation
8 fully and finally resolves its claim to the Subject Property. David Levi & Sons Jewelers
9 waives any right to further litigate or pursue its Petition, or any other claim to the Subject
10 Property, in this or any other proceeding, judicial or administrative.

11 7. Upon return of the Subject Property, David Levi & Sons Jewelers agrees to
12 release and hold harmless the United States, its agents, representatives, and/or employees,
13 as well as any involved state or local law enforcement agencies, their agents,
14 representatives, and/or employees, from any and all claims David Levi & Sons Jewelers
15 may possess, or that could arise, based on the seizure, detention, and return of the Subject
16 Property.

17 8. The United States and David Levi & Sons Jewelers agree they will each
18 bear their own costs and attorneys' fees associated with the seizure, detention, and return
19 of the Subject Property, as well as with David Levi & Sons Jewelers' Petition and this
20 Stipulation.

21 ///

22
23 ///

24
25 ///

26
27 ///

1 9. The United States and David Levi & Sons Jewelers agree that the terms of
2 this Stipulation are subject to review and approval by the Court, as provided in the
3 proposed Order below. If the Court enters the proposed Order, a violation of any term or
4 condition of this Stipulation shall be construed to be a violation of that Order.

5
6 Respectfully submitted,
7 TEAL LUTHY MILLER
8 Acting United States Attorney

9 DATED: March 19, 2025

s/ Jehiel I. Baer
 JEHIEL I. BAER
 Assistant United States Attorney
 United States Attorney's Office
 700 Stewart Street, Suite 5220
 Seattle, WA 98101
 Phone: (206) 553-2242
 Fax: (206) 553-6934
 Jehiel.Baer@usdoj.gov
 Counsel for the United States

16 DATED: March 18, 2025

s/ David Levi
 David Levi & Sons
 c/o David Levi

18 [REDACTED]
19 [REDACTED]
20 [REDACTED]

ORDER

The Court has reviewed the above Stipulation between the United States and Third-Party Petitioner David Levi & Sons Jewelers, settling the interest David Levi & Sons Jewelers has asserted in the Subject Property, Dkt. No. 47, that was preliminarily forfeited by Defendant Justin Costello in this case, Dkt. No. 26.

The Court HEREBY APPROVES the Stipulation and Settlement and its terms.

IT IS SO ORDERED.

DATED this 20th day of March, 2025.



RICARDO S. MARTINEZ
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I hereby certify that on March 19, 2025, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which sends notice of the filing to all ECF participants of record.

I hereby further certify that on March 19, 2025, I served the foregoing on the following parties who are not participating in ECF, at the addresses listed below, by U.S. First Class Mail and/or by electronic mail, as indicated:

David Levi & Sons
c/o David Levi

[REDACTED]

s/ Sophia J. Stoughton
SOPHIA STOUGHTON
FSA Paralegal II, Contractor
United States Attorney's Office
700 Stewart Street, Suite 5220
Seattle, Washington 98101
Phone: (206) 553-2242
Fax: (206) 553-6934
Sophia.Stoughton@usdoj.gov